

A regular meeting of the Board of Aldermen was held Tuesday, January 11, 2011 at 7:30 p.m. in the Aldermanic Chamber.

President Brian S. McCarthy presided; City Clerk Paul R. Bergeron recorded.

Prayer was offered by City Clerk Paul R. Bergeron; Alderman Craffey led in the Pledge to the Flag.

The roll call was taken with 15 members of the Board of Aldermen present.

Her Honor Mayor Donnalee Lozeau and Corporation Counsel James M. McNamee were also in attendance.

MOTION BY ALDERMAN TABACSKO THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW TO GO OUT OF THE REGULAR ORDER OF BUSINESS AND TAKE UP THE RECOGNITION PERIOD FIRST
MOTION CARRIED

RECOGNITION PERIOD

R-11-85

Endorsers: Mayor Donnalee Lozeau
Board of Aldermen

EXTENDING CONGRATULATIONS TO THE NASHUA PAL FORCE SENIOR TEAM '10

Given its first reading;

MOTION BY ALDERMAN TABACSKO THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR THE SECOND READING OF R-11-85
MOTION CARRIED

Resolution R-11-85 given its second reading;

MOTION BY ALDERMAN TABACSKO FOR FINAL PASSAGE OF R-11-85
MOTION CARRIED

Resolution R-11-85 declared duly adopted.

President McCarthy

Returning to the regular order of business, does the Mayor wish to address the board?

REMARKS BY THE MAYOR

Thank you, Mr. President, I do. This evening, which comes as no surprise to you, I'd like to focus my remarks on Pennichuck. Tonight on your agenda as you know are Resolutions 10-81 and 10-82 relative to the acquisition of Pennichuck Corporation. It certainly may go without saying how important this matter is, and what your decision means this evening. Still I would like to take the time to make it very clear what this means from my perspective and one that I would hope you share.

The two resolutions before you tonight represent the end of a very long period of uncertainty in this City. On November 6, 2002, over eight years ago, this Board voted to pursue the acquisition of Pennichuck. In early 2003, the voters of this City approved that action by an almost 5 to 1 margin, by a vote of 6,525 to 1,867. Not long after that vote the city filed an eminent domain petition with the New Hampshire Public Utilities Commission.

Since that time, both the City and Pennichuck have expended millions of dollars in this eminent domain fight. Litigation, PUC proceedings, Supreme Court appeals, failed negotiations, and many, many meetings of this Board.

When I ran for Mayor in 2007, I said that I did not favor eminent domain as the way to resolve this dispute over the control of our City's water supply. I also said that I would pursue a resolution that was in the best interests of the city. First it would have to secure and protect our water supply and our watershed lands and second it would have to make economic sense.

That was the intent when I assembled our negotiation team at the end of 2008. This team of our City staff and a group of excellent legal and investment banking advisors worked hard with us to reach an agreement with Pennichuck. And on November 11, 2010, and with the unanimous approval of the members of this Board, we signed the Merger Agreement that settled this long dispute.

Under this Merger Agreement, the City will become the sole shareholder of Pennichuck Corporation. The Company would no longer be publicly owned by hundreds of shareholders, who expect an equity rate of return which means, or in other words, a high return on their investment. Instead, the City would now own all of the stock of the Company and would only seek to cover its costs to own and operate the company, in other words, no pressure to maximize profits.

Is this a perfect deal? No. But in the real world, and in tough negotiations, you don't always get everything you want. But, all in all, I believe that this solution makes sense for the City, its citizens and our region. Even though this is a very complicated deal, my reasons for supporting it boil down to four main points.

First, this transaction allows the City to gain control of its water supply and watershed land so that we can preserve and protect this public resource now and long into the future. This is exactly what the city intended with their votes. This transaction accomplishes this goal better than eminent domain.

Second, this solution is better than the eminent domain alternative approved by the Public Utilities Commission. Under this deal, the City acquires more assets at a lower cost. Under eminent domain, the City was allowed to buy only the assets, for instance pipes and pumps of the Pennichuck Water Works company at a total cost of \$203 million. For that price, the PUC did not allow the City to buy the watershed land or the other companies owned by Pennichuck, yet we would still have some financial responsibility for the other two water utilities by way of a \$40 million mitigation fund bringing the total to at least \$243 million. Under this deal, the City will buy all the companies and the businesses owned by Pennichuck, including the watershed land, for a total cost of just under \$200 million. Very simply, this deal is better for the City than eminent domain.

Third, this transaction will result in lower rates over time than under current ownership. Let me be clear, we do not expect that this deal will result in lower rates right out of the box. These rates are needed to pay for recent improvements to our water filter systems and clean water protections and for the cost of the acquisition. But over time, our experts predict that the rates charged by all of the utilities under City ownership will be lower than those that would be under current ownership. These lower rates occur for two simple reasons; the City does not have to pay the costs of a publicly traded company, and as I said the City will not require the same high equity rate of return that public stockholders demand on their investment in Pennichuck.

Fourth, under this transaction, the current employees responsible for operating the water utilities will stay the same, and customers will contact the exact same people they always have with questions or concerns. Under eminent domain, the City would have had to bring in a third party to operate the assets and provide customer support. This caused concern about the futures of long-time, dedicated Pennichuck employees. In this tough economy, which has brought challenges to all of our friends and neighbors, I believe it is important to preserve good jobs, and this transaction does just that.

The two measures before you tonight are required by the laws that govern the City's ability to accomplish this merger. The first resolution, R-10-81, requests the Board to make two findings of fact:

- First, that the acquisition of stock will provide a more orderly method than eminent domain for the City to acquire the water utility; and
- Second, that the acquisition of stock will be financially beneficial to the City and its customers and will, therefore, be in the best interests of the city and provide a public benefit.

These findings of fact are required by the special law passed by our State Legislature in 2007 and 2010 that gives the City the authority to acquire the shares of the parent company, rather than just the assets of Pennichuck Water Works.

I believe the information provided to you over these many months and at the public hearing last week establishes a clear basis for making these two findings of fact.

The second resolution, R-10-82, requests the Board to authorize the issuance of general obligation bonds to finance the merger and related costs in an amount of up to \$220 million. Let me take a moment and explain that number:

The cost of the stock purchase is \$138 million, all of the direct transactions costs, similar to closing costs, equals \$9 million, so \$147 million is the direct transaction costs. Of the remaining \$73 million, \$5 million is for a rate stabilization fund which is necessary to bridge the impact of uncontrolled events such as the weather. \$5 million is to give us the flexibility to recover the eminent domain costs which were paid by our taxpayers. The remaining \$63 million would give us the ability to refinance existing debt if we can do so at lower rates. That is why the resolution is for an amount of not to exceed \$220 million.

The state law that governs the City's acquisition requires that the Board of Alderman authorize the issuance of bonds within 90 days after the date we agreed on the final price with Pennichuck. That date was November 11, 2010, and the 90-day period will soon end. And this state law requires this resolution to be approved by at least 10 members of this Board.

We were successful in getting state legislation that allowed us to use general obligation bonds. We did that because they greatly simplify the transaction structure and result in better rates for the water customers. Under our agreement with Pennichuck, the city has no obligation to close this transaction unless the PUC ensures that rates will be sufficient to cover all operating expenses and debt service associated with those bonds. Because of this these bonds will not be counted against the city's debt limit nor will they have any impact on our bond rating. In other words, our city budget and this Pennichuck transaction are completely separate and distinct.

Lower water rates over time, but no negative impact on the City's taxes or bond rating. These are some of the important reasons that I support this transaction and financing.

These votes tonight are only some of the hurdles left to clear before finally ending this long fight to gain control of the City's water resources. If you approve these measures tonight, I expect that we will file our petition with the Public Utilities Commission asking for its approval within a couple of weeks. Our attorneys have advised us that the PUC will not approve this deal unless it makes sense, and continues to ensure high quality water services at affordable prices. So, even if you approve these measures, this transaction will only happen if the PUC agrees that it is the public interest.

In addition, the Pennichuck shareholders must approve the transaction by a two thirds vote.

Under the Merger Agreement, the City will only go forward with this deal if the interest rates and financing terms are satisfactory. So, even if you approve these measures tonight, and the PUC acts favorably, and Pennichuck shareholders agree, this transaction will only happen if the interest rates available to the City are affordable.

Most often when matters of the city are discussed and debated we talk of expenses and revenue and the impact these matters will have on our budget and ultimately our tax rate. This transaction will have no effect on our budget or our tax rate.

The City of Nashua will be purchasing a self-sustaining company that provides a service to our citizens that is regulated by the Public Utilities Commission. The revenues generated from this company will pay for any and all expenses incurred by ownership. This is a completely separate discussion from the budget with one exception that could be considered a silver lining; we may in fact be able to recoup the \$5 million expended over the last eight years to get where we are now. That would have an impact on our budget, a favorable one.

Revenues and expenses are not the only issues to be considered when it comes to making decisions about our City water or our City and what is best for those that call Nashua home. We need to consider the long term effects of our actions. We need to be looking at investing in our future and that of the generations that will follow. I look at this transaction as an investment. Yes, it will take 30 years to pay off, not unlike most of our own home mortgages, but during those years we will have control of our water supply and the watershed. At the end of those 30 years, we will own that water supply free and clear. A lot of us won't be here to witness the day that that becomes a reality, but our grandchildren will and their grandchildren won't have experienced a day that the City didn't own their own water supply. It will likely seem unreal to them that there was ever a time that the water delivered to their homes was controlled by stockholders from around the world.

I urge this Board to support these measures because this negotiated solution is better than eminent domain; it allows us to acquire more assets for less money, it preserves jobs, it ends the harmful uncertainty caused by this long dispute, and it offers a future of lower rates than under current ownership.

I am excited and honored to be part of the team that can make controlling our precious natural resource a reality for generations to come. When the citizens voted almost 8 years ago to pursue eminent domain, they did so because they wanted the City to control and protect the long-term future of our public water supply. This transaction will accomplish that goal. As always, thank you for your kind attention tonight.

RESPONSE TO REMARKS OF THE MAYOR - None

READING MINUTES OF PREVIOUS MEETINGS

MOTION BY ALDERMAN CLEMONS THAT THE MINUTES OF THE BOARD OF ALDERMEN MEETINGS OF DECEMBER 28, 2010, AND JANUARY 6, 2011, BE ACCEPTED, PLACED ON FILE, AND THE READINGS SUSPENDED
MOTION CARRIED

COMMUNICATIONS – None

PERIOD FOR PUBLIC COMMENT RELATIVE TO ITEMS EXPECTED TO BE ACTED UPON THIS EVENING

Robert Sullivan, 12 Stonybrook Road

Good evening. I'm here to speak in favor of the purchase of the Pennichuck water system. Granted the cost is a lot higher than we thought 8 years ago. I remember working with Alderman Pressly who round up

a lot of the citizens to get the vote out. At the time I remember when Veolia was going to purchase the company for \$108 million. Things have certainly changed. Then the purchase price moved up to \$140 million to \$160 million, but after looking at the data it seems to me, and I trust the Mayor on what she had talked about this evening, that the rates that I will be paying under city ownership will be slightly less than if we didn't sell it to Pennichuck. I would like to speak in favor for that.

I am glad to see that there is a 6.5% limit on the bond, a clause up to \$220 million not to exceed. I am, however, disappointed with the governance model that has been put forth. I'm not talking about the organization of having a CEO and a board of directors, I'm speaking about who elects the board of directors, and I believe in a democracy that the common elemental denominator of a democracy lies in the users of the system selecting the people to manage the system.

Alderman McCarthy you might remember 7 or 8 years ago we were at public meetings, regional meetings, and at the time Alderman Pressly, she wasn't an Alderman then, broke her collar bone. She was on stage and she got all excited and fell over and broke her collar bone. So she asked me to take her place. It is the truth and you were actually laid up for quite a while. Talk about dedication and sacrifice. What you will do to make things happen. But you might remember Alderman McCarthy I took her place, Alderman Pressly's place, and spoke about the name. You and I debated this. You may not, it was 7 years ago, and I was more in favor of the folks who consume the water to select the board of directors that could do so, and I came up with some proposals.

Number one when they got the bills at the right time they could elect the board of directors on a card with their bill. The other thing they could do is go to an election and vote for them. Now it is my understanding that the Board of Aldermen will appoint the board of directors in the future, and I think the Board of Aldermen have enough on their plates to take care of the business that is currently in front of them than the water company. Maybe I misinterpreted how the board of directors would be selected in the future. Obviously you have to appoint them initially, but after a series of 4-6 years from thence, I think that the ratepayers should select the board of directors. And if that is the way it is that would be good. I interpret it the other way.

Speaking of Alderman Pressly, Alderman Pressly under new business you have O-11-50, provide comments at committee meetings, comment section. I want to thank you for putting that in. I believe that most of the committee meetings do have a comment section. I remember that this was brought up years ago. It was defeated. The board at that time felt it was up to the Chair. I disagree. I agree with Alderman Pressly. Thank you for bringing that up.

Very interesting evening last night at the Budget Committee. Alderman Pressly brought up and you submitted O-11-51 to invite the Superintendent of Schools to meet at the Budget Committee quarterly I believe. Is that your legislation? At the end of the meeting an Alderman said well why should we do this. I would like to make some recommendations why. Number one at the Budget meeting last night Alderman Deane brought up a concern; something about CTE funding and I believe that is the Community Education function budgeting within the school system. I have the budget books and I started looking into this situation. Unfortunately I work full time and I can't put enough time, but I think I understand what the issue is. During that meeting it was said by the finance person of the school system that yeah we have had an issue with this for several years, but we are working on it. Well that is not good enough, that is not good enough.

We need to have the Superintendent of Schools and that finance person come, if I can request Alderman Deane, at the next Budget Committee meeting and talk about what is going on with that issue. That is a budgeting issue. I think I know what the situation is, but I don't think it is appropriate for me to bring it up because I am not entirely confident that I understand it so I think that is a good thing to...one of the reasons why you should consider that piece of legislation.

And here is another one; Alderman Pressly brought up in the past, a year ago, to form an ad hoc committee to take a look at the school system and how it is budgeting. This board basically let that piece of legislation die. That was to have a group of people come together and basically take a look at or audit how the school does its financing. Alderman McCarthy you might remember 4 months ago I came to this board and talked about the need to resurrect that, and you had indicated to me and interjected yourself in the middle of my speech that the reason why that wasn't looked into was because of the Budget Committee meetings and the time it took.

I looked into that and what I found was that Alderman Pressly brought that legislation forward January 11, 2010, the Budget Committee meetings started in May, then ended on July 1st or thereabouts, 2 to 2 1/2 months, four months ensued between the time I came to this meeting and today, and this Aldermanic Chamber had 9 ½ to 10 months to address that issue so I am not too sure that was the real reason. But that is another reason why we should bring in the piece of legislation that Alderman Pressly is proposing.

I would like to speak at the end of the meeting, and I want to thank Alderman Pressly for her hard work. Thank you.

PETITIONS – None

NOMINATIONS, APPOINTMENTS AND ELECTIONS

Appointment by the Mayor: John Patenaude, Interim Chief Executive Officer (CEO) Pennichuck Corporation

MOTION BY ALDERMAN CLEMONS TO ACCEPT THE APPOINTMENT BY THE MAYOR AS READ AND REFER IT TO THE PERSONNEL/ADMINISTRATIVE AFFAIRS COMMITTEE MOTION CARRIED

REPORTS OF COMMITTEE

Budget Review Committee 01/06/11

There being no objection, President McCarthy declared the report of the January 6, 2011 Budget Review Committee accepted and placed on file.

Finance Committee 01/05/11

There being no objection, President McCarthy declared the report of the January 5, 2011 Finance Committee accepted and placed on file.

Pennichuck Water Special Committee 01/06/11

There being no objection, President McCarthy declared the report of the January 6, 2011 Pennichuck Water Special Committee accepted and placed on file.

Planning & Economic Development Committee 01/04/11

There being no objection, President McCarthy declared the report of the January 4, 2011 Planning & Economic Development Committee accepted and placed on file.

WRITTEN REPORTS FROM LIAISONS

MOTION BY ALDERMAN CLEMONS THAT THE RULES BE SO FAR SUSPENDED AS TO ALLOW FOR THE INTRODUCTION OF A LIAISON REPORT RECEIVED AFTER THE AGENDA WAS PREPARED

MOTION CARRIED

14 Court Street Commission 01/2011

There being no objection, President McCarthy declared the liaison report of the January, 2011 14 Court Street Commission accepted and placed on file.

CONFIRMATION OF MAYOR'S APPOINTMENTS - None

UNFINISHED BUSINESS – RESOLUTIONS

R-10-81

Endorsers: Mayor Donnalee Lozeau
Alderman-at-Large Brian S. McCarthy
Alderman-at-Large Ben Clemons
Alderman Kathy Vitale
Alderman-at-Large Barbara Pressly
Alderman Richard LaRose
Alderman Michael J. Tabacsko
Alderman Mary Ann Melizzi-Golja
Alderman Jeffrey T. Cox
Alderman Diane Sheehan
Alderman-at-Large Lori Wilshire
Alderman Richard P. Flynn

FINDING THAT THE ACQUISITION OF STOCK, RATHER THAN THE DIRECT ACQUISITION OF THE PLANT AND PROPERTY OF PENNICHUCK CORPORATION WILL PROVIDE A MORE ORDERLY METHOD FOR THE CITY TO ESTABLISH, OWN, AND OPERATE A MUNICIPAL WATER UTILITY CONSISTENT WITH THE PURPOSES OF RSA 38 AND WILL BE FINANCIALLY BENEFICIAL TO THE CITY AND ITS CUSTOMERS AND WILL, THEREFORE, BE IN THE BEST INTERESTS OF THE CITY AND PROVIDE A PUBLIC BENEFIT

Given its second reading;

MOTION BY ALDERMAN CLEMONS FOR FINAL PASSAGE OF R-10-81 BY ROLL CALL

ON THE QUESTION

Alderman Cookson

Thank you. I had one question. That is as we read the final clause of this resolution it says “be in the best interest of the City and provide a public benefit.” are we taking into account or are we only as a Board of Aldermen speculating that it would be the public benefit for the City of Nashua or do we encompass all ratepayers? Which aspect should we be looking at when we look at public benefit? If I could direct that to our Corporation Counsel please.

James McNamee, Esq.

Well the competency of this body really is to make determinations for the City so this fact finding is that it is in the best interest of the City and provides a public benefit to the City. There will be, if these pass tonight, a

petition presented to the Public Utilities Commission (PUC), which also has to make a determination on the public interest as to all of the other municipalities.

Alderman Cookson

Thank you.

President McCarthy

Is there any further discussion?

Alderman Flynn

I think this has been discussed pretty heavily so I really don't have an awful lot I wanted to say, but I think most of us probably spent a few hours this weekend I think really trying to think this through and be sure that we are making the right vote this evening. I'm voting for this obviously in a positive way and I am very pleased to see that the word profit kind of comes out of the relationship with the water and protecting the water system and the care of that water and the profit end of that kind of gets erased from this and that seems like a very strong factor in the decision.

I'm still very uncomfortable. It still is an awful lot like the City running a water company. The CEO is someone that gets nominated by the Mayor and gets approved by the Board of Aldermen. The board of directors will be nominated by the Mayor and approved by the Board of Aldermen. It is not a City department but it is as close as you are going to get to the City running a water company. I'm still hopeful that perhaps after we, we really can't flub this up so I understand what we are doing to get this started, but hopefully after this gets rolling everybody is comfortable with all of the changes that there might be some opportunity to revisit. It would make sense to have another third party somewhere in between things I don't know who it might be. At one time Veolia was going to manage the operations and we were going to have Beck as an oversight and there was a lot of distance from the City as to how this was going to be operated. I was much more comfortable with that distance than I am with what the current situation is.

I don't think we are precluding tonight that that could be something that the City could at least look at or the board of directors could look at as an endeavor that they might undertake somewhere after we get our feet, well I won't use that pun, I was going to say feet wet. I'm reconciled to the fact that we need to use general obligation bonds. I was much more comfortable when it was one cash register, just kind of a revenue bond that comes in and goes out to pay for it, but that certainly wouldn't be any reason for me to strongly oppose what we are doing here. This is a great thing to secure your water rights.

I think when we get to the bond part we will talk a little bit about the money that the City has spent and trying to recapture that money, but I will save my remarks for that when we get to the second resolution. Thank you Mr. President.

President McCarthy

Is there any further discussion?

A Viva Voce Roll Call was conducted, which resulted as follows:

Yeah: Alderman Clemons, Alderman Vitale, Alderman Craffey, Alderman Deane, Alderman Pressly, Alderman LaRose, Alderman Tabacsko, Alderman Melizzi-Golja, Alderman Cox, Alderman Sheehan, Alderman Wilshire, Alderman Chasse, Alderman Flynn, Alderman Cookson, Alderman McCarthy

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Nay:

MOTION CARRIED

Resolution R-10-81 declared duly adopted.

R-10-82

Endorsers: Mayor Donnalee Lozeau
Alderman-at-Large Brian S. McCarthy
Alderman-at-Large Ben Clemons
Alderman Kathy Vitale
Alderman-at-Large Barbara Pressly
Alderman Richard LaRose
Alderman Michael J. Tabacsko
Alderman Mary Ann Melizzi-Golja
Alderman Jeffrey T. Cox
Alderman Diane Sheehan
Alderman-at-Large Lori Wilshire
Alderman Richard P. Flynn

AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS OR NOTES NOT IN EXCESS OF TWO HUNDRED TWENTY MILLION DOLLARS (\$220,000,000.00) TO PAY ALL COSTS OF ACQUIRING THE STOCK AND/OR ASSETS OF THE PENNICHUCK CORPORATION

Given its second reading;

MOTION BY ALDERMAN VITALE FOR FINAL PASSAGE OF R-10-82 BY ROLL CALL

ON THE QUESTION

Alderman Flynn

The Mayor alluded to this tonight that the City has over \$5 million that it has invested in this endeavor trying to secure the water rights for the City. It sounds like there is a good likelihood that the City will recover those costs. I think that is a little hard at this moment to tell how that will work out, but when we saw the sheet in front of us we had something that was called necessary costs and we had another one that was called, I don't know what it was something about likely or niceties costs. If we get that \$5 million back the way that it should work is whoever is the Mayor would present us with a budget...well actually what is going to happen is we will probably, this is 2012 budget so probably like for the budget years 2013 and 2014, if we do get that approved by the PUC, that money would be available for those two budget years.

The Mayor in those years would present us with a budget, again we would have to see the difference between appropriations and revenue, there would be a decision to approve the budget and raise the difference through taxes. I would imagine that the board at that time would go through their diligence; they would look at some kind of plan, work with the Mayor on some kind of plan on how to use perhaps other opportunities for money, other unallocated funds that they could use to offset the tax rate and they would look at this and say you know what we have a good budget year and the tax rate might be, whatever it might be, 3%, and at that point when we recognize what that number is, then the board would look at this money that has been set aside, this \$5 million, and use maybe half of that to offset the tax rate, maybe use \$2.5

million a year for those two years and get that tax rate down from whatever was pegged at, at 3%, and get it back to maybe 1.5%.

I see us or as the board I would be hopeful what the board would do is do its entire diligence, use the same scrutiny that it uses now to look at the Mayor's recommendation of what we might be able to use from the general fund, unallocated reserve or whatever it might be, something to minimize the tax increases and after that is all done that is how you measure the performance of the board that year, and then you take this money and spread it out over 1 or 2 years however you think that is best. But don't let that become the pool to drive the tax rate for that year. Do the diligence, come up with the number, congratulate yourselves on whatever that number is, and then go to this pool and use it for, agree that you would use it like for 2013 and 2014 taxes. Certainly try to get the citizens the very best benefit of the investment that they made over these last 7 or 8 years with this \$5 million. That is all I have to say. Thank you.

Alderman Tabacsko

Thank you. I think I would just like to take the opportunity to recognize the milestone that this represents. For me personally I have been in favor of the acquisition of the water company since way back the first vote before I was in office and I have supported it at every opportunity since I have been on the board the last five years. I know there is still a long way to go as the Mayor pointed out in her comments; there are still things, but we are much closer today than we have been and than it even seemed at some times that we would ever get this close. I'm proud to have been involved with this and supportive of it through all of the iterations, and glad to see that we are turning the corner and literally seeing the light at the end of the tunnel. Thank you.

Alderman Clemons

Thank you. When this first came about in 2002 I was against it. I was one of the minority in this city that voted no for taking over the company by eminent domain. My reasons for that I think still would be the same; if we were discussing eminent domain tonight I would be voting no. The reason for that is I never understood why we would take over a company only to hire another private company to run it and displace all of those employees and basically go through the same issues that the Mayor said tonight.

For me this was definitely a process to win me over. When I first got elected on this board I said I would keep an open mind to the proposition of negotiating a deal with Pennichuck Corporation, and as that went along in the process I was sometimes very hesitant to put money towards furthering the cause and that type of thing, but I am glad that we have reached the point where we are at because it is now clear to me that this is in the best interest of not only the City of Nashua but also everybody who is a ratepayer in the system. This is going to be something that is going to ultimately save the ratepayers money, which is my number one concern, number two protect the watershed and number three give that control to the citizens of Nashua and to the citizens of the respective water companies.

I think that this is going to be in the benefit of the public. I do not think that the \$220 million price tag, if we should go up to that, is unreasonable because like I said ultimately we will be paying less than we would if we allowed the Pennichuck to continue to own the corporation. This gets my eager support this evening. It was a long learning process for me. It was not easy to win me over, but here I am tonight, and I will be supporting it. Thank you.

Alderman Pressly

Thank you Mr. President. First to make it clear Mr. Sullivan is not a relative of mine. Thank you very much Bob. And to also clarify that I didn't fall off the platform the chair did and threw me against the wall at a water meeting. As one person told me I had lots of witnesses; there were about 45 people in the room that witnessed this graceful event.

Bob brings up the issue of all of the citizens that played a big roll in bringing this about. We raised money, we made the signs, we had literature, and we spent every Saturday at the landfill passing out the literature. It was a real effort by citizens. I know David Deane was involved. Who else in the horseshoe was at the landfill with us?

I really think we have to take a look at all of the people that did this. There were hundreds, hundreds from all walks of life, all ages of people that really, really recognized that we could not allow our water supply, the delivery of our water, to be in the hands of profiteers, and that it was just time that we took control. I do thank the Mayor for putting the team together and making this happen.

Along the way, once I got started with this it was one of those things you couldn't let go of so I bought the single share, went to every shareholders' meeting since it started, attended every PUC meeting, in fact I am expecting to continue to do that until it is finalized, to attend them, but I think we have to turn to the citizens that organized, felt dedicated, hundreds of people from all across the city that really worked hard to get out that vote. I too, this is a really important vote in a meeting and thank you for listening.

Alderman Wilshire

Thank you. I would like to thank the Mayor for her diligence in this whole process. I supported the eminent domain in the beginning, but I am glad that it turned out to be a mutual agreeable proposition instead of the eminent domain. That is in the best interest of the city as well. I think owning our own water supply is in our best interest and our grandkids' best interest so thank you Mayor and everyone who worked so diligently to get this this far.

Alderman Cookson

Thank you Mr. President. I guess I would like to start out by echoing some of the same sentiments that Alderman Clemons shared; I too was opposed to the eminent domain and for the past five years it has been an educational process for me to listen and go through the various models that have been presented to us by many different consultants and many different attorneys and the previous administration and what they have shared up to what we are considering right now this evening, which is that bond for \$220 million for the outright acquisition of Pennichuck shares and to be the sole shareholder of that corporation.

This past weekend I was reviewing the model that was shared with us this past Friday in our packet or electronically, and I had some questions about it. First off let me just thank our consultants; Mr. Gottlieb, Mr. Patenaude, Mr. Griffin, our CFO, Mayor, thank you for making the information available. We actually spoke yesterday. We had about a 45 minute meeting in the afternoon where Mr. Gottlieb, the Mayor, and I sat on a webinar and discussed the model. I got a little more intimate detail of what was going on behind the scenes and how some of these numbers were determined.

I believe the Mayor said in some cases you would think it was simple, and as I explored and as we explored it together it became quite intricate. Mr. Gottlieb you have done an outstanding job in preparing this model and the attributes and the variables that you have considered I think that what we are contemplating this evening is an easier decision based on the work that you have done and presented to us. I wish that Mr. Gottlieb could have gone into this detail, the detail that I experienced yesterday, I wish many of the other members, and I shared this with you yesterday on the phone, I wish other members of the board could have participated in that as well. Whether you believe that this is in the benefit of the city or not, it truly is a piece of art that was shared and the detail and the explanation that Mr. Gottlieb presented really took my understanding to another level. Again, let me just conclude with that by saying I appreciate the availability and the information that was made available to me.

There was one final comment that was made during our call yesterday, and I hope that either you or Mr. Gottlieb or somebody would be able to address one final question that I have, and that was on page 7 of

this model, there are certain key assumptions and those key assumptions go into the share price, the finance interest rate, the capital expenditure interest rate, etc., etc. My question is in this resolution, 10-82, I believe that it was stated yesterday and someone correct me if I am wrong that was on that phone call, I understood that there are possible scenarios that exist where the financing interest rate could exceed the 6.5% and it still be a beneficial deal. Is that an accurate statement?

Mayor Lozeau

Yes.

Alderman Cookson

Okay. When we see this key assumption of 6.5% as the maximum statement in our definitive merger agreement, there are actually scenarios where we can exceed 6.5% for our financing and still we may continue to move forward with this acquisition of the outstanding shares.

Mayor Lozeau

Thank you Mr. President. Yes because there could be other things that change in those assumptions that would still make that in our best interest. As we get to that point we will certainly come back for discussion with this group.

Alderman Cookson

So even though the Definitive Merger Agreement (DMA) states 6.5% as that maximum value that is in fact not the case?

President McCarthy

I believe the wording of the DMA is that it is at our option as to whether ...

Mayor Lozeau

Exactly. That is correct.

President McCarthy

...to discontinue if the interest rate exceeds 6.5%.

Alderman Cookson

Thank you.

President McCarthy

So presumably we would go back and look at whether the conditions are still favorable in that case.

Alderman Cookson

When we actually get around to that action of selling the \$220 million in bonds, if that percentage rate is in excess of 6.5%, how will that be communicated back to the board and what action will then ensue?

Mayor Lozeau

I would anticipate that it would come back to this board for discussion and decision.

Alderman Cookson

Thank you.

Mayor Lozeau

You are welcome.

Alderman Deane

Thank you. I find all of that rather interesting at this point in time. When you read the title of the legislation it authorizes the Mayor and City Treasurer to issue bonds. After the resolution is approved we're basically out of the picture. That has been pretty much the case, but...I'm still learning about some of this. I wanted to get a better explanation if you don't mind Mr. President. In paragraph #3 it describes the limitation amount on the taxable property within the territorial limits of the city. What RSA can I find that under where it has been exempt? The one that was passed that is under Chapter 347 does not contain any language that was passed on the 14th of September 2007. Do you happen to know what RSA was passed after that, I would imagine it would have to be after that that would contain the language that removes the limitations against our taxable property within the territorial limits against our bond limitations?

President McCarthy

Attorney McNamee do you know ...

James McNamee, Esq.

This language comes directly from bond council and the reason that provision is in there is because these are general obligation bonds, which means that although they will be paid from the revenues of Pennichuck a general obligation bond is secured by the promise to pay from tax revenues if necessary.

President McCarthy

I think the question was there has been a recent amendment to the RSAs, which exempted these bonds from our debt limit, and the question was what RSA would that be found in.

James McNamee, Esq.

It is not in the RSAs. I'm sorry I misheard the question. In the laws of the 2010 Legislative session, the special session, which was held after the session was over, to pass the final budget, Clause 118 I think it is of that provision, it's actually called Laws 2010 Special Session, Chapter 1, and I think it is Section 118 of it was a special legislative enactment that allowed us to issue general obligation bonds for this purpose. That was actually an amendment to the 2007 special legislation that had been passed, which authorized the city to purchase the stock of Pennichuck Corporation.

Alderman Deane

When I went through the actions as put on the State's website, there was no mention of any of that. This is something that was done in a special session after the session was over and added to a Bill that had already been approved? Am I right? Is that a correct analysis of...

James McNamee, Esq.

The actual citation I did insert into the first paragraph and it is Section 118 of Chapter 1 of the Special Session of the Acts of 2010.

Alderman Deane

When you go to Chapter 33B, Section 33B;1 that has to do with municipal revenue bonds, just for myself and maybe for anyone else, I kind of need to understand a little better or be refreshed on why we are using general obligation bonds versus revenue bonds. If someone could explain that to me. What is our benefit? I look at this note not in excess of \$220 million and the Mayor had mentioned a refinance. I thought that was around \$53 million and now it is \$63 million. Maybe I am incorrect in that, but that number seems to have grown. Could you explain the pros and the cons of the revenue bond versus the general obligation bond?

James McNamee, Esq.

I think there are two particular reasons Alderman Deane. One is that in order to issue a revenue bond you would have to pledge all of the revenues of the operation to satisfy the bond, and there is already debt in the corporation, which we are assuming, so we could not make that representation. In addition, if we issue general obligation bonds, because they are backed by the full faith and credit of the City, we can expect to achieve a lower interest rate for repayment of bonds.

Alderman Deane

So there is not enough revenue to cover the debt that Pennichuck current has...

James McNamee, Esq.

No that is not what I said. What you need to do if you issue a revenue bond is pledge all of the revenues of the operation to pay for it, and you cannot pledge all of the revenues of the corporation because you have to reserve the revenues that are necessary to retire the existing debt as well.

Alderman Deane

And to operate the system with the revenues?

James McNamee, Esq.

Right. It is not to say that there wouldn't be revenue to pay the bonds, there would be, but we wouldn't be able to satisfy the obligation that the bond holders would expect of pledging all of the assets of the corporation, all of the revenues of the corporation to pay for them.

Alderman Deane

That is what I thought I had stated earlier. And the federal tax law that we are looking at, where does that fall into place here between these two types of bonds? What is our tax liability on this whole thing if any?

James McNamee, Esq.

The federal tax liability doesn't affect the bonding authorization, but if we were able to obtain tax exempt status for the bonds that we issue, it would affect the interest rate, we could issue them at a lower non-taxable rate.

Alderman Deane

And currently we are moving forward without that tax exempt status because that federal law hasn't been dealt with?

James McNamee, Esq.

Right, which is why we have the 6.5%. We don't have to bond if it exceeds that. That in the model was assuming the taxable rate of 6.5%.

Alderman Deane

And the capital gains are being paid by whom, the shareholders that are being bought out?

James McNamee, Esq.

The capital gains on the stock?

Alderman Deane

Yes.

James McNamee, Esq.

Will be paid by the stockholders if they are taxable entities.

Alderman Deane

When you had mentioned the clause in 2010, is that the other piece of action that was taken in Concord? Is that what that was? It wasn't a separate RSA it was just a special ...

James McNamee, Esq.

There were two pieces of special legislation and they are both cited in the first paragraph there. You have Chapter 347 of the Acts of 2007, which is the one that basically says that we can acquire the stock of Pennichuck Corporation and also lays out the two findings that you made in the previous resolution that have to be made and some other matters on how this transaction would be affected. The Special Session Acts of 2010, Chapter 1 of 2010 that just amends the original special legislation Chapter 347 of the Acts of 2007 so you would have had to get both of them to read them together.

Alderman Deane

There was 347;5 was all that was added right? I mean there was some other action taken...

James McNamee, Esq.

I believe it was just adding that 5th paragraph, the 347.

Alderman Deane

Okay. Those were my questions. My comment on the water system, it is really troubling to see what was done to our water system. Alderman Pressly was very diplomatic when she called it profiteering. I wouldn't call it that. As many folks know, our water system, back when the ponds were maintained and a majority of

the water came out of them for the community, were off limits. All of my brother-in-laws if they ever got caught up swimming in the Pennichuck Ponds, they wouldn't be able to sit down for a couple of weeks. The property was respected. I think it is somewhat of a travesty what happened up there. It is a travesty the condition of those ponds; the properties that were built on top of them. At one point in time common sense prevailed and it was pretty sacred to those in the community and then I guess as Alderman Pressly alluded to, profiteering settled in and we have what we have.

It is an awful lot of money. If we don't need all of this money...say we only need \$180 million is the balance available for other purposes even though the bond...is the plan to leave that number way out there so if it has to be drawn down on or is this money strictly for acquisition purposes?

James McNamee, Esq.

It is strictly for the acquisition. As a matter of fact, the last \$63 million of it would only really be utilized if the federal legislation that you mentioned were passed and we were able to issue non-taxable debt at a favorable rate, and then we would have to look at it and see if that made sense for us to issue that and retire the existing Pennichuck debt much of which is non-taxable debt. If we can get a better interest rate we issue the higher amount, otherwise we wouldn't go there at all, and it is not available for any other purpose.

Alderman Deane

In the modeling that has been under lock and key that Mr. Gottlieb did, will that be given in its entirety to the Public Utilities Commission when it is presented?

James McNamee, Esq.

There will be a model presented to the Public Utilities Commission. I think it is one that we are working on jointly with Pennichuck as part of the Petition. It is not going to be the same as Mr. Gottlieb's, but it will be very similar. It will have a lot of input from Pennichuck at the time, which will contain a lot of actual factual data, on the ground data, from Pennichuck that we haven't been able to put into the public domain yet.

Alderman Deane

Will it remove some of his assumptions and place some actual data into the modeling that he did? Are those the types of changes that are going to be made?

James McNamee, Esq.

I am not as familiar with the model to answer that, but I can say I don't think it is going to remove any of his assumptions because we worked very closely with Pennichuck, well prior to reaching a merger agreement we had our own model, but since the merger agreement was signed and since we have gone through due-diligence we have worked very closely with Pennichuck and confirmed assumptions that went into the model. I think it is going to be fairly close to what you see at the PUC, but there probably will be some differences.

Alderman Deane

So nothing was held back so all of the data that they...

James McNamee, Esq.

Pennichuck has been very, very forthcoming with data and information for us.

Alderman Deane

Thank you.

President McCarthy

The motion is for final passage of R-10-82. Is there further discussion?

Alderman Craffey

Thank you. I want to congratulate the Mayor and I want to echo a lot of the comments that were made here today. I am having a hard time getting around this new debt, every year we are going to incur \$7.7 million. Could someone explain to me one more time why we are going to take new debt out every year for \$7.7 million in addition to this \$220 million that we are going to be putting forward?

President McCarthy

That is actually an assumption that is the same as the one for Pennichuck, which is every year they do about \$7 million of capital improvements to the system to replace existing pipe and upgrade pipe and plant facilities.

Alderman Craffey

Is that going to be part of the PUC determination for our rate? Is that going to go forward with the model? Is that how it is going to work?

President McCarthy

Yes.

Alderman Craffey

It is. Okay. Thank you.

Alderman Deane

I thought currently Pennichuck was only looking at \$5 million a year and the modeling that Mr. Gottlieb had done moved it up to \$7 million. Two million dollars was added to try to catch up to some of the depreciation of the assets.

President McCarthy

My understanding is we took those numbers from the ones that Pennichuck gave us as their assumptions of their rate building in the future.

James McNamee, Esq.

Pennichuck spends more in the neighborhood of actually north of \$7 million for the entire system including Pennichuck East Utility, Inc. (PEU), Pittsfield Aqueduct Company, Inc. (PAC), and Pennichuck Water Works, Inc. (PWW). I think you are right, I think Pennichuck Water Works probably is in the \$5 million range.

Alderman Deane

That was just for the Nashua area.

James McNamee, Esq.

Right because there are three regulated utilities and throughout their entire system it is more in the neighborhood of \$7 million plus. But it may be that for Pennichuck Water Works itself it is in the \$5 million range. I'm not talking from anything I just recall that from some discussions.

Alderman Deane

Thank you.

President McCarthy

Is there any further discussion?

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: Alderman Clemons, Alderman Vitale, Alderman Deane, Alderman Pressly, Alderman LaRose, Alderman Tabacsko, Alderman Melizzi-Golja, Alderman Cox, Alderman Sheehan, Alderman Wilshire, Alderman Chasse, Alderman Flynn, Alderman Cookson, Alderman McCarthy

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Nay: Alderman Craffey

1

MOTION CARRIED

Resolution R-10-82 declared duly adopted.

UNFINISHED BUSINESS – ORDINANCES - None

NEW BUSINESS – RESOLUTIONS - None

NEW BUSINESS – ORDINANCES

O-11-49

Endorser: Alderman-at-Large Ben Clemons
Alderman Michael J. Tabacsko
Alderman Jeffrey T. Cox

ELIMINATING THE HOLDOVER LIMITATION ON TERMS OF LAND USE BOARD MEMBERS

Given its first reading;

MOTION BY ALDERMAN TABACSKO TO ACCEPT THE FIRST READING OF O-11-49, REFER IT TO THE PLANNING & ECONOMIC DEVELOPMENT COMMITTEE AND THE NASHUA CITY PLANNING BOARD AND SCHEDULE A PUBLIC HEARING FOR TUESDAY, FEBRUARY 1, 2011, AT 7:00 PM IN THE ALDERMANIC CHAMBER

MOTION CARRIED

• *Also assigned to the Personnel/Administrative Affairs Committee.*

O-11-50

Endorser: Alderman-at-Large Barbara Pressly
Alderman Diane Sheehan
Alderman-at-Large Mark S. Cookson
Alderman Arthur T. Craffey, Jr.
Alderman-at-Large Ben Clemons
Alderman Mary Ann Melizzi-Golja
Alderman-at-Large David W. Deane
Alderman Kathy Vitale

PROVIDING FOR COMMENT PERIODS AT COMMITTEE MEETINGS

Given its first reading; assigned to the PERSONNEL/ADMINISTRATIVE AFFAIRS COMMITTEE by President McCarthy

O-11-51

Endorser: Alderman-at-Large Barbara Pressly
Alderman-at-Large Mark S. Cookson
Alderman Arthur T. Craffey, Jr.
Alderman-at-Large David W. Deane

RELATIVE TO THE BUDGET REVIEW COMMITTEE INVITING THE SUPERINTENDENT OF SCHOOLS TO MEET QUARTERLY

Alderman Clemons

Mr. President, as the Chairman of the Personnel/Administrative Affairs Committee, I would also like the Budget Review Committee to weigh in on that as it is pertaining to that committee specifically.

Given its first reading; assigned to the PERSONNEL/ADMINISTRATIVE AFFAIRS COMMITTEE and the BUDGET REVIEW COMMITTEE by President McCarthy

Alderman Deane

Mr. President, if that is the case, I would like O-11-49 sent to the Personnel/Administrative Affairs Committee as well.

President McCarthy

Okay.

Alderman Deane

That is where a lot of that ordinance was generated.

President McCarthy

I understand, but...

Alderman Deane

A couple of years ago.

Alderman Clemons

I have no objection to that.

President McCarthy

Additional ordinances?

O-11-52

Endorser: Mayor Donnalee Lozeau
Alderman Michael J. Tabacsko

AMENDING THE LAND USE CODE IN REGARDS TO ARTICLE VII - FLOODPLAIN MANAGEMENT

Given its first reading;

MOTION BY ALDERMAN TABACSKO TO ACCEPT THE FIRST READING OF O-11-52, REFER IT TO THE PLANNING & ECONOMIC DEVELOPMENT COMMITTEE AND THE NASHUA CITY PLANNING BOARD AND SCHEDULE A PUBLIC HEARING FOR TUESDAY, FEBRUARY 1, 2011, AT 7:00 PM IN THE ALDERMANIC CHAMBER
MOTION CARRIED

PERIOD FOR GENERAL PUBLIC COMMENT

James Cutter, 86 Palm Street

This is an open letter to Alderman McCarthy, and it refers to public servants and laws. Dear Alderman McCarthy actions speak louder than words. At the last Aldermanic meeting City Attorney McNamee did not give you the letter I had requested, and by not doing it has shown our problem is between the City and us. Since cartilage is involved and is protected by the U.S. and New Hampshire Constitutions, it seems the day following the Aldermanic meeting someone in City Hall should have notified the Gilbertsons to return the 3' wide strip of driveway and clothesline area to us.

On December 13th at the BPW meeting I addressed another possible problem caused by the City of a plan to narrow the width of Pine and Palm Streets in building the Broad Street Parkway. Mayor Lozeau will remember I talked about Deputy Fire Chief Galipeau saying narrow streets are very difficult places to get to fight a fire. I have found Ordinance 190-146 the 6 that says streets should be wide enough for additional vehicle capacity. An educated guess is the City will save a million dollars or more by not changing those streets. Our cartilage problem with the City in plan change of Pine and Palm Streets are a result of public servants not making sure the laws that apply are followed. Very truly yours, Jim. Thank you.

Robert Sullivan, 12 Stonybrook Road

Good evening. I want to talk about re-appointments and that issue that was brought up I believe by Alderman Clemons. It appears that I believe that the Board of Aldermen has much bigger fish to fry than to dwell any length of time on that. I believe when the process is altered you have to put a good case before you try to alter it. I am reading the minutes and some of the things that are mentioned in the Telegraph. It means that every 2, 3, or 4 years someone that is re-appointed has to come back to I think it is the Personnel Committee. Say it is an average of every three years, and yet it was mentioned that they don't want to burden those people. Every three years, well whoop idée ding dang do isn't that a lot of time. I spoke to one individual that was a re-appointment; no issues coming back. I don't believe that was the appropriate thing to do, and there are only 13 Aldermen here that voted 7/6 to do that. I don't believe that is appropriate. What are we trying to really do? Why do we have to shutter the process?

I'm with Alderman Pressly on this. It seems like I am always with Alderman Pressly. She is bringing it up that well maybe when they come back they can talk about how to improve that board. I fully agree with that. Every three years or two years coming back for an hour or an hour and a half meeting, that is a big burden to those individuals? I don't think so. I would appreciate it if one of the Aldermen who voted in favor of that would rescind it. I believe it is very inappropriate. Not any other things to do?

What I am about to say is not personal at all, it is another issue. It is constructive and I thought it was very inappropriate some of the proceedings that I saw at the Budget Committee last evening. Alderman Clemons you spoke about your doubts about Mayor Lozeau affording I think it was Director Hersh to attend the meeting and that Mayor Lozeau doesn't like to send people to committee meetings. I am paraphrasing. I thought that was very inappropriate especially considering that the Mayor wasn't present. Now why is it? Now other people have spoken about this, and it is not funny I don't know why you are smiling. Other people have spoken about this in the past, for the past 8 months, and many people are probably saying well how come you didn't come in and criticize them when they spoke up. Because Alderman Clemons you are the Vice-President of the Board of Aldermen. You are part of the leadership of this board. You are supposed to work those issues not talk about them. You are part of the leadership of the Board of Aldermen and you didn't show that last evening. I don't think it appropriate that you criticize the Mayor in the manner. You need to look at that tape again, very inappropriate. I don't know what is going on in these Chambers. This thing has been mentioned for 8 months.

Alderman McCarthy when Alderman Clemons was speaking last evening I don't know if you know this, you may want to take a look at the tape, you were like this and when Alderman Clemons started talking you shook your head. Maybe you weren't feeling well last evening.

President McCarthy

I was quite ill last evening and I got up and left shortly after that.

Robert Sullivan

What I'm going to say is as President of the Board of Aldermen I would have never permitted that type of talk without some sort of speak back on that issue. So Alderman Clemons since Mayor Lozeau is here this evening, since you are part of the so-called leadership of this board, I think you need to address it with the Mayor directly.

We all have our different management styles. Some of them are more autocratic than others, but I can say one thing about our Mayor, the Mayor gets the job done. You seem to think it is humorous right now, but I believe you should take a look at those tapes and just remember you are the Vice-President of the Board of Aldermen, and I think you have to start acting that way. Thank you very much.

REMARKS BY THE MEMBERS OF THE BOARD OF ALDERMEN

Alderman Cookson

Thank you. This evening, under nominations, appointments, and elections, we had an appointment by the Mayor for Mr. Patenaude as Interim Chief Executive Officer of Pennichuck Corporation. Now I made a statement about this, but it happened to be during a non-public session so I am going to go ahead and make my statement now publicly for everyone to hear. I don't believe that it is appropriate to have a submission for a CEO of a single person. I think a nomination of one person is the same as a nomination of none. We have no choice at all, period. I asked that evening for multiple resumes so that we could review so that we could make sure that we are putting the best person in a leadership position at Pennichuck. For such a tremendous opportunity and a tremendous need that we have to fulfill for the City of Nashua and all of the ratepayers, I think it is a disservice to us to nominate a single person. I requested that evening that we have multiple people, multiple resumes submitted to us. I will be attending this Personnel/Administrative Affairs Committee meeting. I am unhappy that we only have a single choice. Whether he is the right choice or not I am dissatisfied that we only have one choice. Thank you.

Alderman Wilshire

I would just like to comment on one of the public speakers tonight. I don't find anything that Alderman Clemons did disrespectful at all in these Chambers.

Alderman Sheehan

The NRPC (Nashua Regional Planning Commission) TTAC (Transportation Technical Advisory Committee) meeting has been rescheduled from tomorrow, due to weather, to next Wednesday.

I would like to echo Alderman Wilshire's comments; nothing to me last night stuck out as being disrespectful or saying something that he wouldn't have said if you were here. I tend to remember those characterizations and I didn't pick up on that. If that was the case, it completely blew right past me and I was here for that. I would just like to say that sometimes people get different impressions.

Alderman Pressly

Thank you Mr. President. Just to let you know that I had asked our legal people to draft some possible changes to the appointments and interview process, and in discussing it with Alderman Clemons, he asked me to hold it back since he is the Chairman of that committee, which I have done. We will be working on something between now and the next meeting and invite anyone else to jump in if that is an issue that you are particularly interested in.

I would like to be on the record also that I sent a letter to everybody including the press that I thought it was appropriate to advertise not only for the members of the board of directors of Pennichuck but also for the CEO. I agree with Alderman Cookson that I think we need to have a search for that.

The third thing with the approval and the encouragement of our President, we're hoping to have a legislative delegation get together. I know many of us have said we would like to meet these folks, be able to set up a way to effectively communicate with them, but the thing that might surprise you is we are going to try to have it in this space. We're hoping that we will be able to move the benches off to the side and invite them to come to here, which I think it is a nice size for the number of people we might have. Anyway you will be notified of the dates, and I hope it is going to be the first of many events like this. Thank you.

Alderman Vitale

I have had one phone call already from Ward 1 asking about the current year's ward meetings and get together, and the office is currently working that into our new schedule. It will be up on the website for the residents of ward 1 as they are posted. The first one is a coffee at Starbucks on January 26th at 6:00 p.m. for an hour that people can stop by then. Thank you.

Alderman Clemons

Thank you. I want to actually thank Alderman Pressly because her and I had a very good discussion after the last Board of Aldermen meeting regarding the re-appointment process, and it occurred to me after that meeting, and I sent a memo stating this, that perhaps what we had done that evening may not have been in the best interest of the public. With that in mind, Alderman Pressly came up with several suggestions that I think in the best interest of the public would be to have the committee talk about a couple of ideas and do like a brainstorming session on how to perhaps make that more of a process that is something that is in place from now until the end of time if you will, and have it be more concrete. I thought that was a great idea. The committee will be meeting; the next meeting is in February and I intend to have a period of the meeting to have that as the discussion.

In regards to anything that I said last night, they were not meant to be disrespectful. What I stated last night was how I felt and I believe that as an elected official I should always state how I feel and my opinion as well. Any disagreements that I have with anyone else, hopefully we can work them out and if not then it is going to remain the way it is. That is all I have to say about that. Thank you.

Alderman Deane

I would like to thank the Mayor for our 2010 comprehensive annual financial report that she dropped off.

Committee announcements:

Alderman Cox

Before I announce; respectfully for the public attendance and my fellow committee members I would like to leave it up to the will of the committee with the storm tomorrow to make a decision as to whether they would like to go forth with the meeting or have me reschedule it for another date.

Alderman Deane

I would just reschedule it. The less cars that are out the easier it is for people to plow I would imagine.

Alderman Sheehan

I would respectfully ask that we reschedule it as well, not so much for ourselves but for anybody that might want to come to speak to an issue. I would hate for them to feel like they were risking their life to come and speak to an issue.

Alderman Cox

Alderman Pressly?

Alderman Pressly

That is fine with me too.

Alderman Cox

Alderman Cookson?

Alderman Cookson

That is fine.

Alderman Cox

So I would like to announce that the Committee on Infrastructure meeting scheduled for tomorrow evening at 7:00 p.m. in these Chambers is cancelled due to the weather and I will work with Sue Lovering to reschedule at the earliest date available.

President McCarthy

Thank you. Are there other committee announcements?

Alderman Tabacsko

Thank you. I just wanted to clarify I'm doing a lot of public hearings with the pieces that came in tonight. Next Tuesday, January 18th, there are a couple of public hearings, the first of which is actually the Committee on Infrastructure, if I may Alderman Cox, that will go first and that is the petition to discontinue a portion of Dozer Road and that is followed by the Planning & Economic Development Committee public hearings on O-10-41, which is amending the zoning map in that same area, that is the land in Ward 8 over behind the Flatley property and then also O-10-44 will also be subject to public hearing that night and that is amending the land use code regarding placement of telecommunication towers.

That is what will be taken up on that night. The things that we took in tonight those are scheduled for February 1st public hearings. Thank you.

Alderman Deane

Patriots/Jets this Sunday afternoon.

Alderman Sheehan

We can stop rooting for the Jets now.

President McCarthy

Before I ask for a motion to adjourn I wanted to extend my thanks to our legislative staff for their work in getting the minutes of last Thursday night's set of meetings done in time for the packet on Friday morning. I would also point out for those of you who were not at the Vision 2020 session last week the post-it sorting is done; it is safe to come back to them now. Our legislative staff has also volunteered to do the transcription of the post-its. After some debate as to whether to give them the post-its or therapy I elected to have them start doing the post-its. I hope at the next of those sessions we will start taking up some of the topics and discussing what things we ought to make priorities for this board.

ADJOURNMENT

MOTION BY ALDERMAN LAROSE THAT THE JANUARY 11, 2011 MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED
MOTION CARRIED

The meeting was declared adjourned at 9:05 p.m.

Attest: Paul R. Bergeron, City Clerk